

Minutes of the April 4 meeting of the Uintah Basin Regional Council

Attendees: Paul Nielson, Chair, Tammie Lucero, Bill Johnson, Julie Curry, Dan Wheeler, Mark Holmes, Laurie Brummond, Yankton Johnson, Stewart Leith, Wayne Dunbar, Shelley Fenn, Anne Mackiewicz, Shirley Weathers, Mark Raymond, Randall Bennett, Paul Hacking, Judy Chambley, Sharon Wilkins, Deena Mansfield, Jon Wahl

Guests: Gary Aho, Bill Walsh, Gordon Snow, Connie Laws, Jolyn Bevan, Gayle Buchanan

Staff:

Toni Ansel, Margo Weeks, Shelly Ivie, Bob Gilbert

Paul welcomed everyone. In making the Chair's report, he said that the next State Council meeting is in April and will be held in Helper at the Western Energy Training Center. At the last State Council meeting in January, a presentation was made about the Incumbent Worker Training program, and the Council voted to approve approximately \$700,000 for the program for the first round of proposals. It will be on the agenda again to determine what % of the WIA adult training funds could be allocated for incumbent worker training.

Randall then presented a report for the Duchesne County Employer's Committee. The Committee has spent the last few meetings focused on getting a drug court discussion going. There has been good collaboration going on with the Duchesne County sheriff, attorney and Northeast Counseling. Good progress is being made in getting some structure in place. A representative of Division of Mental Health and Substance Abuse joined us in one of our meeting. She reported that the legislature allocated new money for counties that are just starting a drug court. A local law enforcement task force has committed to purchase new equipment for the drug testing. Also, the Committee sponsored a Business to Business Expo on March 15 – was very successful. It also included a presentation on the I-9 form, a for that is required of all new employees.

Bill Johnson then reported for the Vernal Employers Committee. The major item for the Committee has been the Uintah Basin Business Symposium, joining with the Chamber in developing plans for the Symposium. It is planned for October 16, with the main focus now being to nail down a keynote speakers. Want to include an educational component to the Symposium, keeping it business-focused, but offer some information on programs available through USU. Last week, the Committee sponsored a seminar with Dr. Bjornson, a Vernal psychologist, presenting on employee motivation. Over 50 employers attended. Dr. Bjornson told Bill he has already gotten a couple of referrals from the session. The Committee is planning for another employer seminar later in the second quarter.

Wayne said the Youth Council has been meeting monthly. Last meeting, we recognized a successful youth, Daniel Palmer, who presented a PowerPoint presentation of marketing and sales trends for the tire industry. Jane Broadhead did some inservice training. Mistalyn Leis gave an update on the Connections Program. The next Youth Council meeting is scheduled for April 25th.

Randall and Deena said the Healthcare TaskForce will be meeting next week to discuss developing more local nursing training programs. We are currently experiencing a shortage of C.N.A. workers, and the UBATC and the Care Center have working to get a C.N.A training program in Vernal, and have submitted a proposal to the Incumbent Worker Program.

Paul and Bill then introduced Gary Aho, Lead Geologist for Oil Shale Exploration Company, to do a presentation on OSEC's development plan. Gary is currently president of the National Oil Shale Association. Gary began his presentation by defining oil shale. Kerogen, the oil in the rock, has to be heated to 900 degrees, then turns to a vapor and can be condensed to a liquid that is then refined. Underground mining is the process that OSEC will use to get to the rock. The shale is about 1000 feet below the surface. In the Colorado, Utah, Wyoming oil shale region, there is roughly 2 trillion barrels of oil, with about 800 billion being recoverable. 72% of oil shale reserves are found in the United States, with most of that in the three state area. On Tracts UA and UB, located south of Bonanza, the companies (in the 1980's) developed a vertical 30 foot diameter shaft, and a conveyor decline over 1700 foot long. Mining zone is roughly 35 foot thick. OSEC will be using the shaft and decline shaft. A building there will be utilized. Are now in a Research, Development and Demonstration phase. Expect BLM lease with OSEC to be signed by May 1 for the UA and UB tracts. OSEC will be using the Taciuk Process where the shale is heated, then the vapors are separated and moved to a different place for refining. The solids left are reheated to be sure all kerogen is out, then cooled down and removed.

OSEC development plans include: Ship 1000 tons of the U-A/U-B shale up to Canada and run it through the retort which is already set up. Phase II is to open the mine and operate a small pilot plant for 10 months. Phase III is to operate and construct a 250 tons per hour demonstration plant. Do onsite upgrading of shale oil. Then make a decision to proceed to commercial development. Eventual goal is to get up to a 50,000 per barrel a day operation. Will average $\frac{3}{4}$ of a barrel from each ton. Need to mine it, refine it, upgrade it, and get it to market for \$45 a ton. OSEC still has 6 years of R and D ahead of us. We still need to demonstrate the technology. We need to quantify the costs, know the economics. A challenge/opportunity is: Can we do this in an environmentally responsible manner? What are the socioeconomic impacts going to be for projects like this?. The impacts will need to be mitigated. Canadians at the tar sands projects in the 1980's kept going and are now up to one million barrels per day production. The oil shale industry stopped at that point, and now needs to be rebuilt. Oil shale gives us an opportunity to be less dependence on foreign oil; provides good-paying jobs that would last a long time.

Will need to have a cooperative approach between government and industry to develop these unconventional fuels. We are now working on legislation that would form a cooperative agreement to minimize risk and give some financial incentives.

A question was asked about what kind of fuel makes the retort run? We would use natural gas to get the retort going, then would use its own processes and by products to keep heat going.

What about the spent shale? About 80% of the material is left after the processing. Shale is still hot when it comes through the retort. Would need to be further cooled, then possibly stored back underground. Looking at alternative uses, such as gypsum board. Uses a lot of water in the process. This project is near the White River, and there are early plans to have a dam built there.

Connie Laws then reported on the Incumbent Worker Proposal. She also introduced JoLynn Bevan, a Workforce Investment Act (WIA) specialist at DWS. Connie said the incumbent worker proposal is funded through our adult and dislocated worker funds. The State Council has approved a proposal which would give us a waiver to move up to 50% of adult training funds to the incumbent worker program. Connie said the waiver was approved by the Dept of Labor and received word of it this morning. We can now move up to 50% of the adult training WIA funds, so the next decision is deciding how much to move. Connie distributed some information that will be used in making the decision. Unemployment rates are down around 2%, and this seems the time to move training funds over to train incumbent workers. Connie has decided to ask for 40% of the funds to be moved over into the incumbent worker fund. She said her team has developed an initial RFP, published in January, and received 26 proposals. Twenty one have been certified to move forward. On Friday, the evaluators will meet and develop recommendations for funding consideration. Hopefully notifications will be next week or soon thereafter.

Shelly says this will open the door to people who need additional skills to progress in their places of work.

Connie said she anticipates opening up a second round of solicitations in July and August. It won't require that employers be in the targeted sectors. Each round allows criteria to be adjusted to target those sectors or employers that offer or can provide what the economy needs. Connie said that there was \$700,000 initially, but she wants to ask for additional funding to fund more of the first round projects. Connie and her team met with the Custom Fit group so that we can partner with them in developing training projects.

Paul Hacking commented that the UBATC has moved towards providing more training for employees working for companies. An advantage is that it lets them utilize the equipment owned by the company in doing the training.

Representative Gordon Snow then provided a legislative update. The new income tax rate will become 5%, lowered from 7%. Sales tax was lowered by .1% to 4.65%. Overall, the budget had a \$1.8 billion surplus. One-time money is pretty much used for roads and buildings. Ongoing money can go into programs. There was a new nursing facility funded at the University of Utah, and a classroom building at Snow College. Made adjustments in Uintah Basin Revitalization fund, which comes from the state severance tax. The past law had a cap of \$3 million, which is now raised to \$6 million. 75% of the initial \$3 million goes to tribe. With the change, the new growth (the second \$3 million) will be shared equally among the Tribe, Duchesne and Uintah Counties. Gordon thanked Senator Van Tassel and Rep Mathis for their work and help. The Legislature allotted \$5 million to improve Parriett road south of Myton. Passed a bill that provided a partnership between CEU, Snow College, and three USU Branches – provided a million dollars to each campus to build and improve programs for four year degrees. Changed the mineral lease formula a little bit. Made adjustments so that state trust lands can be traded in a way that will provide more mineral lease funds to the producing counties

The Legislature encouraged DWR to trade lands that would result in owning Tabby Mountain. Gave a lot of money to schools, as the Legislature felt a significant amount should be given. Education's budget has doubled in last four or five years. Voucher law did pass, though there has been a significant movement to recall that bill.

Bill asked about status of Enterprize Zone tax credits. Rep. Snow said it is not very well understood. There are some challenges, such as lack of a recapture provision when a piece of equipment is sold that was purchased using the enterprise zone tax credit. Many credits were eliminated in the new income tax law. Gordon suggested using rural partnerships boards and other vehicles to get information about these tax credits.

The one million dollars per year for CEU, Snow and USU Extensions is ongoing funding. Intent is for four-year programs in business, education, and natural resource programs, among others. Encourages sharing of instructors.

Judy then gave report on DWS activities. Due to a legislative bill, Dept of Health employees that provide Medicaid services will be joining DWS. As the Health workers are already co-located in our offices, it should be a relatively easy transition. Judy also reviewed the performance measure report, noting that Eastern Region is doing very well in most categories, and leads the other regions in several categories. The Region has made a strong effort to meet the TANF participation rate requirement of 50%. Judy noted that we have a new director, Kristen Cox, who most recently worked in Maryland as the Vocational Rehabilitation director, and has done many other things. She has a very impressive resume, and while blind, is a very capable and energetic leader.

Toni provided a report for the Vernal and Roosevelt offices. There are over 600 listed job openings in the Basin. The unemployment rate is near 2%, and with the construction season beginning, it will likely be more difficult to get workers. She noted that there are only 99 TANF cases in the region, because many have gotten jobs and are now working.

She cautioned that those left have many barriers and will be difficult to place in order to meet the 50% participation rate. Toni mentioned that the Turning Point homeless shelter in Vernal is now open, and partnering with DWS in providing support and job-seeking services to the occupants. A very successful conference entitled "Energize Your Business" was conducted on March 15 in Roosevelt. Mark Holmes thanked DWS workers for promoting and helping with it. Its purpose was to provide help and guidance to residents interested in starting a small business. Both DWS Offices continue to request referrals from partner agencies who have customers that need skills training.

Paul thanked Toni for the report, and then asked if there was any input from Council members on the % of training funds that could be used for incumbent worker training. After some discussion Bill Johnson motioned that the Council support a 50% position. It was seconded by Tammie Lucero, and passed unanimously. Members felt that the need was great to provide increased skills to entry level workers.

Paul Hacking invited the Council to attend the groundbreaking ceremonies for the new Vernal UBATC/USU Building scheduled for April 12th at 1:00 pm at the Dinosaur Museum.

Shirley said that she and Bill Walsh are still accepting applications for disabled individuals that want to start a small business. Through a grant, they are providing training and assistance to successful applicants. They have 16 more slots and will take applications until June 30th.

The meeting adjourned at 1:10 pm. Next meeting set for July 11th in Vernal.